that in India, the share of industry in GDP has remained constant while that of services has risen rapidly. This might pose a challenge for sustained growth, as productivity increases in the services sector are normally less strong than in the manufacturing sector. Therefore, it would be important to acelerate the development of its manufacturing industry for India to be able to maintain its GDP growth.

(b) The TDR points out that a shift towards manufacturing is crucial in India, if it is to sustain its impressive economic performance. Though TDR does not clearly suggest a focus on manufacturing sector at the expense of the IT based services sector, it expresses uncertainty whether their share in India's export earnings can rise much further-thereby making a case for the Indian IT sector to move up the value addition chain and not remain trapped at the low end of the market, exporting services such as debugging, testing, conversion and installation of software. The TDR observed that historically, there has been no case of economic catch-up based on the development of the services sector where the scope for productivity gains is more limited than in manufacturing. While the IT revolution has certainly changed the potential for the services sector to support rapid growth in developing countries, the size of the world market for IT based services is smaller than that for manufactures. The TDR also strongly advocates, for both China and India, technology up-gradation to support more diversified and higher value added production to maintain economic growth, as more developing countries develop capacities to produce labour-intensive manufactured goods resulting in higher competition in manufactured exports. It also indicates that in India export dynamism in manufacturing is likely to become stronger and that it is widely expected that improvement in transport facilities and continued reforms with improvement in transport could reduce current disadvantage of other sectors (other than IT) in exporting.

(c) The Government has put in place various policies to promote industrial growth. Besides delicensing of industrial capacity, liberalisation of foreign trade regime to provide better access to inputs at competitive prices and rationalization and reduction of customs and excise were carried forward. The Budget 2005-2006 also contains a number of measures related to manufacturing and infrastructure, envisaging favourable impact on industrial growth. Besides, Industrial Infrastructure Upgradation Scheme (IIUS) has been launched to enhance international

course is designed to train working executives in international business management;

(ii) A regional centre of IIFT is being set-up at Kolkata where a two-year full time MBA(IB) course is proposed to be launched in 2006. Other courses will also follow;

(iii) IIFT is also offering a number of short-term courses to meet specific demands;

(iv) IIFT also plans to start on-line Management Development Programmes to cover a large spectrum of people interested in international business management;

(v) The training centre has been established to cater to the needs of SMEs.

Loss to Indian exports due to Katrina

2285. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Indian export has suffered due to Hurricane Katrina in US when shipping companies refused to accept shipment to many US ports affected by Katrina; and

(b) the total estimate of loss suffered in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) No incidents of shipping companies refusing to accept shipments to a US port affected by Hurricane Katrina have come to notice.

(b) Does not arise.

Steps to convert low yielding tea areas to high yielding ones

2286. SHRI C. PERUMAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether two lakh hectares have been identified as low yielding areas for tea production;

(b) if so, the details thereof; and

(c) the action taken to make them high yielding areas?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) The normal economic age of tea bushes is 50 years, beyond which the productivity goes down. As per studies undertaken by the Tea Board, around 2,12,000 hectares of tea area have to be targeted for replantation/rejuvenation over the next 15 years. Government is examining ways and means of introducting a programme for massive replantation and rejuvenation of old tea bushes. The objective of this programme is to address the issue of ageing tea plantations which has resulted in a progressive reduction in yield and help in reviving the fortunes of the Indian tea industry in terms of increase in yield, improvement in quality and in overall reduction in cost of production. The detailed costing and modalities of funding such a large programme, including the setting up of a Special Purpose Tea Fund, is under consideration.

Three-phase implementation of reforms to help manufacturing sector

2287. SHRI B.J. PANDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that a suggestion has been received by Government for three-phase implementation of reforms to help manufacturing sector to achieve international competitiveness;

(b) if so, the details thereof;

(c) whether this calls for labour and tax reforms etc. and flexibility in the existing norms; and

(d) if so, action plan of Government to address this issue?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) No, Sir.

(b) to (d) Do not arise.

Flaws in data relating to exports and product classification

2288. SHRI JANARDHANA POOJARY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state: